

Message Text

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PAGE 01 STATE 208924
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 FTC-01 TRSE-00 COME-00 L-03
H-01 SS-15 SP-02 NSC-05 CIAE-00 INR-10 NSAE-00
PA-01 ICA-11 /070 R

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EUR/RPE:J P MC LEAN
L/EB:S BENSON
FTC:J FISCHBACH

-----129283 172229Z /61

R 171813Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS
AMEMBASSY PARIS

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PARIS FOR OECD, BRUSSELS FOR EEC

E.O. 11652: GDS

TAGS:ETRD, UK, US

SUBJECT: ANTITRUST: FTC INVESTIGATION OF GRAND UNION
ACQUISITION OF COLONIAL STORES, INC.

1. DEPARTMENT HAS BEEN INFORMED BY FEDERAL TRADE COMMIS-
SION (FTC) THAT IT IS CONDUCTING A NONPUBLIC INVESTIGATION
INTO THE ACQUISITION BY GRAND UNION COMPANY, AN AMERICAN
CORPORATION WITH HEADQUARTERS IN NEW JERSEY, OF COLONIAL
STORE, INC., ANOTHER AMERICAN CORPORATION WITH HEADQUARTERS
IN EAST POINT, GEORGIA. BOTH OF THESE CORPORATIONS ARE IN
RETAIL GROCERY STORE BUSINESS. PURPOSE OF THE INVESTIGA-
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TION IS TO ASCERTAIN WHETHER THE PROPOSED ACQUISITION WILL
RESTRAIN COMPETITION IN THE RETAIL GROUP BUSINESS IN THE
SOUTHEASTERN UNITED STATES OR OTHER GEOGRAPHIC AREAS IN
VIOLATION OF SECTION 7 OF THE CLAYTON ACT OR SECTION 5 OF
THE FTC ACT.

2. GRAND UNION COMPANY IS A WHOLLY OWNED SUBSIDIARY

(FOURTH TIER) OF CAVENHAM, LTD., A BRITISH COMPANY WITH OFFICES AT CAVENHAM HOUSE, MILLINGTON ROAD, HAYES, MIDDLESEX, UB3 4AY, ENGLAND. CAV HAM IS ALSO IN THE RETAIL GROCERY BUSINESS, AMONG OTHER LINES. THE FTC DOES NOT, AT THIS TIME, NECESSARILY INTEND TO SEEK INFORMATION DIRECTLY FROM SOURCES WITHIN THE U.K., ALTHOUGH THAT EVENTUALITY CANNOT BE PRECLUDED.

3. THE BRITISH EMBASSY IN WASHINGTON HAS ALREADY BEEN INFORMALLY INFORMED OF THIS INVESTIGATION BUT EMBASSY IS REQUESTED TO NOTIFY APPROPRIATE BRITISH GOVERNMENT OFFICIALS OF THE ABOVE INVESTIGATION IN ACCORDANCE WITH THE 1967 OECD NOTIFICATION RECOMMENDATION ON RESTRICTIVE BUSINESS PRACTICE INVESTIGATIONS. VANCE

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DRAFTED BY:EB/IFD/BP:TASCHLENDER

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FM SECSTATE WASHDC

TO AMEMBASSY LONDON

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FOLLOWING REPEAT STATE 208924 ACTION BRUSSELS PARIS AUG 17

QUOTE LIMITED OFFICIAL USE STATE 208924

PARIS FOR OECD, BRUSSELS FOR EEC

E.O. 11652: GDS

TAGS:ETRD, UK, US

SUBJECT: ANTITRUST: FTC INVESTIGATION OF GRAND UNION
ACQUISITION OF COLONIAL STORES, INC.

1. DEPARTMENT HAS BEEN INFORMED BY FEDERAL TRADE COMMIS-

SION (FTC) THAT IT IS CONDUCTING A NONPUBLIC INVESTIGATION INTO THE ACQUISITION BY GRAND UNION COMPANY, AN AMERICAN CORPORATION WITH HEADQUARTERS IN NEW JERSEY, OF COLONIAL STORE, INC., ANOTHER AMERICAN CORPORATION WITH HEADQUARTERS IN EAST POINT, GEORGIA. BOTH OF THESE CORPORATIONS ARE IN RETAIL GROCERY STORE BUSINESS. PURPOSE OF THE INVESTIGATION IS TO ASCERTAIN WHETHER THE PROPOSED ACQUISITION WILL RESTRAIN COMPETITION IN THE RETAIL GROUP BUSINESS IN THE LIMITED OFFICIAL USE

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SOUTHEASTERN UNITED STATES OR OTHER GEOGRAPHIC AREAS IN VIOLATION OF SECTION 7 OF THE CLAYTON ACT OR SECTION 5 OF THE FTC ACT.

2. GRAND UNION COMPANY IS A WHOLLY OWNED SUBSIDIARY (FOURTH TIER) OF CAVENHAM, LTD., A BRITISH COMPANY WITH OFFICES AT CAVENHAM HOUSE, MILLINGTON ROAD, HAYES, MIDDLESEX, UB3 4AY, ENGLAND. CAV HAM IS ALSO IN THE RETAIL GROCERY BUSINESS, AMONG OTHER LINES. THE FTC DOES NOT, AT THIS TIME, NECESSARILY INTEND TO SEEK INFORMATION DIRECTLY FROM SOURCES WITHIN THE U.K., ALTHOUGH THAT EVENTUALITY CANNOT BE PRECLUDED.

3. THE BRITISH EMBASSY IN WASHINGTON HAS ALREADY BEEN INFORMALLY INFORMED OF THIS INVESTIGATION BUT EMBASSY IS REQUESTED TO NOTIFY APPROPRIATE BRITISH GOVERNMENT OFFICIALS OF THE ABOVE INVESTIGATION IN ACCORDANCE WITH THE 1967 OECD NOTIFICATION RECOMMENDATION ON RESTRICTIVE BUSINESS PRACTICE INVESTIGATIONS. VANCE. UQUOTE CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: ANTITRUST, INVESTIGATIONS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
Disposition Event:
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Original Previous Classification: n/a
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Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
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Subject: ANTITRUST: FTC INVESTIGATION OF GRAND UNION ACQUISITION OF COLONIAL STORES, INC.
TAGS: ETRD, UK, US
To: BRUSSELS PARIS
Type: TE
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